

PROFESSIONAL OUTREACH COUNSELING SERVICES
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INTRODUCTION

Professional Outreach Counseling Services (POCS) entered into contract #COUN-06-99136 with the Michigan Department of Human Services (DHS). Under the counseling contract, POCS were to provide outreach counseling services to the referred client and/or family, or other persons significant to the client for services identified in the referral. POCS provides outreach services in the clients' home. This contract covers the period April 1, 2006 through March 31, 2009. POCS was reimbursed for units of service provided through submission of monthly billings to DHS.

SCOPE

The Office of Internal Audit performed an audit of POCS for the period April 1, 2006 through May 31, 2007. The purpose of our audit was to determine if their billings were accurate; the units billed were allowable per the terms of the contract; and were properly supported by the accounting records and other supporting documentation. We also reviewed case files and other service documentation to determine if POCS had all the necessary information on file to document that they provided the required services to eligible clients.

EXECUTIVE SUMMARY

Based on our audit, we concluded that POCS had areas of noncompliance with the contract and were overpaid \$84,607 by DHS. The overbilled amount was due to POCS billing for psychological evaluations which is not an allowable service under the terms of the contract. There were missing Verification of Service forms, one case had an unsigned Treatment Plan and one case had units that were improperly documented. POCS has an adequate system of internal controls to verify that clients served were eligible and units are properly documented for the individual and family counseling units. Except for the noted exceptions, the case records contained the Services Authorization, Progress Notes,

Verification of Services Forms, Monthly and Quarterly Reports as well as Psychological Evaluations, as required. POCS provides services timely to the clients and usually makes the first contact within 24 hours of receiving the DHS referral. They provide outreach counseling to bring services to clients who do not have transportation.

Our report recommends that the Field Operations Administration (FOA) initiate the process to recoup \$84,607 and instruct POCS to maintain all necessary forms and documentation to properly support the units billed.

AGENCY RESPONSE

Professional Outreach Counseling Services (POCS) has reviewed all findings and recommendations included in this report. They responded in a letter dated January 17, 2008 that they disagree with finding #1 and #2 and agree with findings #3-6 in this report. The management of POCS stated that they received signed Referral Authorizations (WC-583's) from the DHS offices requesting psychological evaluations. These requests were signed by the workers and their supervisors, but POCS was not informed of the method to bill these services. POCS provided the services and maintained appropriate case records as required. POCS stated that recoupment of the overbilled amounts would result in a financial burden and the demise of the agency and is requesting that no recoupment be initiated. In regards to finding #2, POCS stated they met the contract requirements and the Verification of Services form is used by the agency for internal control purposes.

FINDINGS AND RECOMMENDATIONS

Overbilled Units-Psychological Testing

1. POCS overbilled DHS 1,159 units or \$84,607 for units of service provided for Psychological Evaluations. Psychological Evaluations are not an allowable expense under the terms of the contract. However, this service is billable on a Medical Authorization Form (DHS-93). POCS received Purchase of Service Authorizations (WC-583) from the DHS Children and Family Services Districts to provide psychological evaluations for individuals and families. These services were requested by the worker and approved by the supervisor. POCS has Progress Notes, Monthly and Quarterly reports and Psychological Evaluations documenting that the services were provided timely and by certified therapists.

WE RECOMMEND that FOA initiate the process to recoup \$84,607 from POCS for overbilled units and instruct them to bill the Psychological Evaluations on a Medical Authorization Form (DHS-93).

Verification of Services Forms

2. Twelve of the 30 (40%) cases reviewed had missing Verification of Services forms for one or more of the months units were billed. However, the case file did contain progress notes, monthly reports that indicate the dates and time the services were provided and the progress made on the case. The client signs the Verification of Services form to attest that services were provided on a specific date and time. The “Fiscal Requirements” section of the contract states the contractor shall maintain a record system that documents the total number of units of services as defined in this agreement and delivered during the term of this agreement. These records shall also

document the specific units billed to DHS under this agreement. The contractor is required to submit "Statement of Expenditures", DHS-3469, that accurately represents the units of service delivered.

WE RECOMMEND that FOA instruct POCS to use the Verification of Services form to document that clients received services.

Unsigned Treatment Plan

3. One of the 30 cases reviewed had a Treatment Plan on file that was not signed by the therapist or the client. According to the contract, a Treatment Plan must be completed and submitted to DHS within 30 days. A completed Treatment Plan includes signatures of the client, indicating agreement with the planned treatment, and of the therapist attesting to the plan.

WE RECOMMEND that FOA instruct POCS to ensure the Treatment Plans are signed and dated by the therapist and client.

Improperly Documented Units

4. One of the 30 cases reviewed had improperly documented units. The Monthly Report and Progress notes indicated one unit of service was provided on a date and time but 3 units were billed. However, the therapist had documented the additional time in a calendar and indicated the 3 units were provided. According to the contract, the contractor shall maintain a record system that documents the specific units billed to DHS. Having accurately documented dates and times will ensure the units billed are properly supported.

WE RECOMMEND that FOA instruct POCS to properly document the date, time and appropriate number of units on the Monthly Report and Progress Notes.

General Liability Insurance

5. POCS General Liability Insurance did not include the State of Michigan as an additional insured on the general liability insurance policy as required by the contract. The agency has proof of having a current liability insurance policy but does not list the State of Michigan.

WE RECOMMEND that FOA instruct POCS to include the State of Michigan as an additional insured on the general liability insurance policy.

Contract Monitoring Questionnaire

6. POCS did not submit an annual monitoring questionnaire as required by the contract. The contract states the Contractor shall complete and sign an annual monitoring questionnaire for this agreement within 90 days of the begin date of the agreement, yearly thereafter.

WE RECOMMEND that FOA instruct POCS to submit the Contract Monitoring Questionnaire.